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**UNITED PARCEL SERVICE
OVERNIGHT DELIVERY**

August 10, 2004

Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

RECEIVED

AUG 11 2004

PUBLIC SERVICE
COMMISSION

2004-00300

RE: Application of Atmos Energy Corporation for an Order
Authorizing the Implementation of a \$2,200,000,000 Universal
Shelf Registration for Debt and Equity Financing

Dear Ms. O'Donnell:

I enclose herewith an original, plus eleven (11) copies, of a revised Exhibit A to our Application for an Order Authorizing the Implementation of a \$2,200,000,000 Universal Shelf Registration for Debt and Equity Financing. The enclosed contains supplemental information requested by the staff. Please stamp the 11th copy as filed and return to me.

If you have any questions, please advise. Thanks.

Very truly yours,

Mark R. Hutchinson

Mark R. Hutchinson

(BK)

MRH:bkk

Enclosures

KENTUCKY
EXHIBIT A

References preceding each subpart of this Exhibit pertain to subsections of Sections 6 and 11 of 807 KAR 5:001.

Atmos Energy Corporation operates in Kentucky through its Kentucky division. The following includes information for Atmos Energy Corporation (unless otherwise stated) since the Kentucky division does not have a separate capital structure or authorized stock.

6(1) Amount and kinds of stock authorized

As of March 31, 2004 Atmos Energy Corporation had 100,000,000 shares of common stock (no par value) authorized.

6(2) Amount and kinds of stock issued and outstanding

At March 31, 2004 Atmos Energy Corporation had 52,235,980 shares of common stock issued and outstanding.

6(3) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.

Atmos Energy Corporation has no preferred stock.

6(4) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.

Atmos has mortgages related to bonds assumed in the merger with Greeley Gas Company on December 22, 1993. The 9.4% series J bonds are secured by an Indenture of Mortgage and Deed of Trust dated April 1, 1991 in favor of First Colony Life Insurance Company. The outstanding First Mortgage Bonds assumed in the merger with Greeley are as follows:

<u>First Mortgage Bonds</u>	<u>Original Issue</u>	<u>Bonds Outstanding 3/31/2004</u>	<u>Interest accrued* for 12 months ended 3/31/2004</u>
9.4% Series J, due May 1, 2021	\$17,000,000 4/01/91	\$17,000,000	\$1,597,992

* - See Note on page 2 of 9.

Atmos has mortgages related to bonds assumed in the merger with United Cities on July 31, 1997, which are listed below:

<u>First Mortgage Bonds</u>	<u>Original Issue</u>	<u>Bonds Outstanding 3/31/2004</u>	<u>Interest accrued* for 12 months ended 3/31/2004</u>
10.43% Series P, due 11/01/17	\$25,000,000 10/01/87	\$11,250,000	\$1,335,816
9.75% Series Q, due 4/30/20	\$20,000,000 4/01/90	\$17,000,000	\$1,676,762
11.32% Series R, due 5/10/04	\$15,000,000 12/01/89	\$ 2,160,000	\$ 333,008
9.32% Series T, due 6/01/21	\$18,000,000 6/01/91	\$18,000,000	\$1,707,084
8.77% Series U, due 5/01/22	\$20,000,000 5/01/92	\$20,000,000	\$1,767,990
7.50% Series V, due 12/01/07	\$10,000,000 12/01/92	\$ 4,166,666	\$ 455,156
		\$ 72,576,666	\$7,275,816

*NOTE: Interest accrued approximates interest paid for the 12 months ended March 31, 2004.

6(5) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.

Please refer to 6(4) above.

6(6) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.

Outstanding Notes of Applicant are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Amount Outstanding at 3/31/2004</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>In favor of</u>	<u>Interest Accrued for 12 months ended 3/31/2004</u>
Sr. Notes	05/15/01	350,000,000	05/15/11	7.375%	(Publicly held)	26,402,991
Sr. Notes	01/16/03	250,000,000	01/15/13	5.125%	(Publicly held)	13,905,468
Note	12/31/91	1,151,654	12/31/11	10.0%	Kingdom Foundation	115,189
Note	12/31/91	1,151,654	12/31/11	10.0%	Michael D. Fredricks	115,189
Note	12/15/95	10,000,000	12/15/25	6.67%	Cede & Co.	676,300
Note	12/19/95	10,000,000	12/19/20	6.27%	Cede & Co.	640,754
Debentures	07/15/98	150,000,000	07/15/28	6.75%	U.S. Bank as Trustee	10,241,074
		<u>\$772,302,818</u>				<u>\$52,096,965</u>

6(7) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.

Other indebtedness of Atmos Energy Corporation is as follows:

<u>Description</u>	<u>Lender</u>	<u>Amount Outstanding at 3/31/2004</u>	<u>Rate of Interest</u>	<u>Interest Accrued* for 12 Months Ended 3/31/2004</u>
Committed Lines of Credit:				
One-year credit facility for up to \$18,000,000 renegotiated effective April 1, 2001	Amarillo National Bank	\$ 0	Short-term rate based upon option chosen at time of borrowing	\$ 77,611
364-Day Revolving Credit Agreement for up to	Bank One, NA, Suntrust Bank,	0	Short-term rate based upon option chosen at time of	940,854
TOTAL COMMITTED LINES		<u>\$ 0</u>		<u>\$956,790</u>

*NOTE: Interest accrued approximates interest paid for the 12 months ended March 31, 2004.

<u>Description</u>	<u>Lender</u>	<u>Amount Outstanding at 3/31/2004</u>	<u>Rate of Interest</u>	<u>Interest Accrued* for 12 Months Ended 3/31/2004</u>
Uncommitted Money Market Lines of Credit:				
Credit facility for up to \$25,000,000	KBC Bank	\$ 0	Short-term rate based upon option chosen at time of borrowing	3,136
\$350,000,000 Commercial Paper Program	Merrill Lynch Bank One as dealers	0	Money market rate as quoted	701,393
TOTAL UNCOMMITTED LINES		<u>0</u>		<u>704,529</u>
TOTAL LINES OF CREDIT		\$ 0		\$1,772,994

*NOTE: Interest accrued approximates interest paid for the 12 months ended March 31, 2004.

6(8) **Rate and amount of dividends paid during the five (5) previous fiscal years and the amount of capital stock on which dividends were paid each year.**

The following is Atmos Energy Corporation's dividend history for the past five fiscal years.

<u>Fiscal Year Ended Sept 30</u>	<u>Atmos Dividend Rate</u>	<u>Amount of Dividends Paid</u>	<u>Average Shares For Each Fiscal Year</u>
Fiscal 1999	\$1.10	\$33,881,976	30,819,000
Fiscal 2000	\$1.14	\$35,994,574	31,594,000
Fiscal 2001	\$1.16	\$44,111,974	38,247,000
Fiscal 2002	\$1.18	\$48,646,766	41,250,000
Fiscal 2003	\$1.20	\$55,290,637	46,496,000
For the 12 months ended March 31, 2004	\$1.21	\$60,737,872	50,471,000

6(9) Detailed income statement and balance sheet.

The following is the separate company income statement and balance sheet of Atmos Energy Corporation.

ATMOS ENERGY CORPORATION
STATEMENT OF INCOME
FOR THE TWELVE MONTHS ENDED
March 31, 2004
(Thousands of Dollars)
(Unaudited)

Operating revenues	\$1,626,323
Purchased gas cost	<u>1,130,340</u>
Gross profit	495,983
Operating expenses:	
Operation and maintenance	200,392
Depreciation and amortization	87,703
Taxes, other than income	<u>55,032</u>
Total operating expenses	<u>343,127</u>
Operating income	152,856
Other expense	4,333
Interest charges	65,396
Equity in earnings of unconsolidated non-regulated subsidiaries	<u>26,514</u>
Income before income taxes	118,307
Income taxes	<u>33,099</u>
Net income	<u>\$ 85,208</u>

ATMOS ENERGY CORPORATION
BALANCE SHEET
March 31, 2004
(Thousands of Dollars)
(Unaudited)

ASSETS

Property, plant and equipment	\$2,467,881
Less accumulated depreciation and amortization	874,442
Net property, plant and equipment	<u>1,593,439</u>
Investments in and advances to subsidiaries	149,763
Current assets	
Cash	76,959
Accounts receivable, net	238,542
Inventories and other current assets	2,727
Gas stored underground	32,781
Deferred gas costs	30,967
Intercompany, net	45,748
Total current assets	<u>425,282</u>
Goodwill	236,550
Deferred charges and other assets	216,540
	<u>\$2,621,574</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity	
Common stock	\$ 261
Additional paid-in capital	753,770
Retained earnings	178,769
Accumulated other comprehensive income	49
Shareholders' equity	<u>932,849</u>
Long-term debt	855,803
Total capitalization	<u>1,788,652</u>
Current liabilities:	
Current maturities of long-term debt	6,077
Accounts payable and accrued liabilities	226,636
Short-term debt	-
Customers' deposits	44,551
Taxes payable	37,199
Other current liabilities	54,926
Total current liabilities	<u>369,389</u>
Deferred income taxes	232,918
Deferred credits and other liabilities	230,615
	<u>\$2,621,574</u>

- 11(a) The Applicant's property is comprised primarily of gas utility plant and related facilities of a local distribution company operating in Illinois, Iowa, Georgia, Tennessee, Virginia, Colorado, Kansas, Missouri, Kentucky, Texas, Mississippi and Louisiana. At March 31, 2004, the cost to the Applicant was \$2,467,880,524.
- 11(b) Atmos Energy proposes to issue up to \$2.2 billion in additional shares of Common Stock, no par value, of Atmos and unsecured long-term debt.
- 11(c) The shares and long-term debt are to be issued primarily for the remainder of the permanent financing of the acquisition of TXU Gas by the Company. TXU Gas is engaged in the transmission and distribution of natural gas at retail to approximately 1.5 million customers in Texas. TXU Gas also owns an intrastate pipeline system consisting of approximately 1,800 miles of transmission pipeline in Texas and 5 natural gas reservoirs connected to a pipeline with a working capacity of approximately 39 Bcf. The amount of such financing will be approximately \$1.69 billion. Any remaining proceeds will be used for one or more of the following purposes: the repayment of all or a portion of the Applicant's short-term debt; for the acquisition or construction of additional properties, as well as improvements to the Company's existing utility plant; for refunding of higher coupon long-term debt as market conditions permit and for general corporate purposes.
- 11(d) Please refer to 11(c) above for a general description of the assets acquired. The following will present revenues and sales and transportation volumes for TXU Gas for the 12 months ended December 31, 2003 (the most recent 12 month period available) and gross and net plant as of March 31, 2004 (the most recent period available).

	Year ended
	December 31, 2004
Revenues (in thousands):	
Gas distribution	\$ 1,225,315
Pipeline transportation	54,118
Other revenues	64,693
Total revenues per TXU Gas Form 10-K	<u>1,344,126</u>
Sales Volumes as reported in TXU Gas Form 10-K (BCF):	
Gas distribution	141
Pipeline transportation	360

	<u>March 31, 2004</u> <u>(in thousands)</u>
Gross and Net Plant	
Distribution Plant	\$1,234,244
General Plant	73,671
Intangible Plant	21,096
Total gross natural gas distribution plant	<u>1,329,011</u>
Less: Accumulated depreciation	(170,615)
Net natural gas distribution plant	<u>1,158,396</u>
Transmission Plant	428,513
Storage Plant	77,910
General plant	36,266
Production and Gathering Plant	15,084
Intangible plant	6,968
Total gross natural gas distribution plant	<u>564,741</u>
Less: Accumulated depreciation	(94,314)
Net transmission plant	<u>470,427</u>
Construction Work in Progress	50,182
Other, net of depreciation	10,968
Nonutility property	9
	<u><u>\$1,689,982</u></u>

- 11(e) Please refer to 11(c) above.
- 11(2)(a) Please refer to 6(1) through 6(9) above.
- 11(2)(b) The mortgage earlier described in 6(4) has previously been filed with the Commission.
- 11(2)(c) The following presents a preliminary allocation of the purchase price for the TXU Gas assets and liabilities that will be acquired by Atmos:

	(in thousands)
Cash purchase price	\$1,925,000
Transaction costs and expenses	7,540
Total purchase price	<u>\$1,932,540</u>
Gross property, plant and equipment	1,784,133
Accumulated depreciation	(369,934)
Accounts receivable	102,744
Gas stored underground	106,391
Other current assets	14,945
Goodwill and intangible assets	533,500
Deferred charges and other assets	4,218
Accounts payable and accrued liabilities	(61,738)
Other current liabilities	(41,314)
Regulatory cost of removal obligation	(131,352)
Deferred credits and other liabilities	(9,053)
	<u>\$1,932,540</u>